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United States
Department of
Agriculture

Foreign
Agricultural
Service

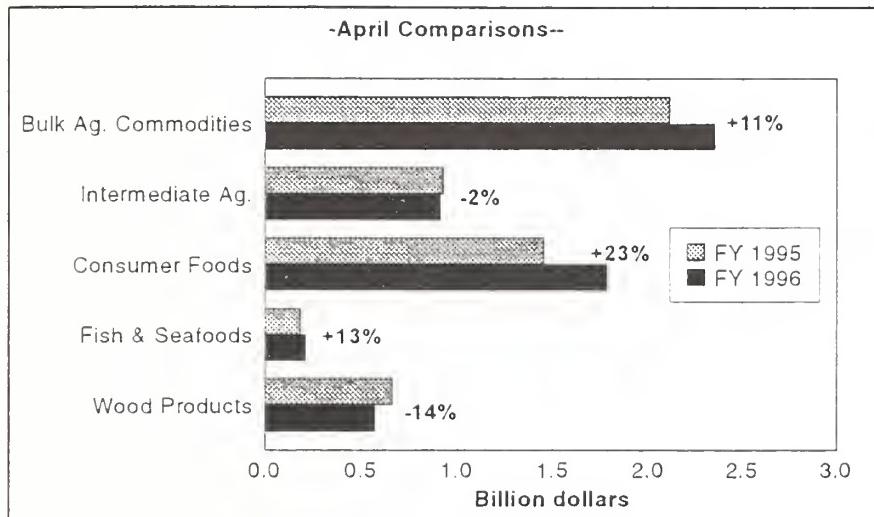
Circular Series

AT 696
July 1996

Agricultural Trade Highlights

1996 SEP - 6 A 8:04

Exports Rise 9 Percent in April



April trade statistics released by the Commerce Department on June 20 placed the value of U.S. agricultural, fish, and forest product exports at \$5.9 billion, a 9-percent increase over the April 1995 level. Agricultural exports totaled \$5.1 billion, up 12 percent over year-ago levels. Higher prices and strong foreign demand for coarse grains and wheat continue to support higher U.S. exports for these commodities. Fish and forest product exports totaled \$793 million in April, down 8 percent from the same month last year.

April shipments brought the 7-month year-to-date total for agricultural, fish, and forest product exports in fiscal year 1996 to \$42.5 billion, 10 percent higher than the same period in fiscal year 1995. Agricultural exports were the best performers, up 12 percent over the same period last year at \$37 billion.

Bulk agricultural exports were up 23 percent at \$18.8 billion during the first 7 months of fiscal year 1966. Export gains for coarse grains, wheat, and soybeans exceeded declines recorded for cotton, rice, pulses, and peanuts. Coarse

grains, mainly corn, and wheat account for 90 percent of the total rise in the value of bulk exports this year.

U.S. exports of *intermediate agricultural products* totaled \$6.5 billion during October 1995 - April 1996, down 6 percent compared to the same period a year earlier. Reduced shipments of soybean oil, due largely to continued weakness in China's import demand, are largely responsible for the poor results. Wheat flour, animal fat, and sweetener sales also are off.

Exports of U.S. *high-value, consumer-oriented products*, were up 10 percent during the first 7 months of fiscal year 1996 at \$11.6 billion and are poised for a new record export value this year. Fourteen of the sixteen product groups are showing increased export levels. Red meat and poultry meat lead all gains with increases in export value of \$487 million and \$272 million, respectively.

Fish and seafood product exports were down 7 percent at \$1.5 billion during the first 7 months of fiscal year 1996. Export sales for canned salmon, crab and crab

meat, and surimi have been disappointing. U.S. forest product exports also are weak, reaching only \$4.1 billion or 6 percent below last year.

U.S. agricultural exports rose in eight of the top ten markets in April. Sales rose dramatically to Mexico, and significant gains were recorded to Russia, Egypt, Japan, South Korea, Hong Kong, and Taiwan. A modest 2-percent gain was recorded for Canada. Exports to the EU-15 were down 21 percent from April a year ago, while sales to China dropped 56 percent. Declining exports to China reflect a slowdown in sales of soybean oil and wheat.

Special note on Mexico: With April export data, we now have a 4-month record on the recovery of U.S. trade with Mexico 1 year after the peso crisis. Agricultural exports were up 113 percent in April compared to the same month last year. In January, February, and March, they were up 60 percent, 49 percent, and 96 percent, respectively. Export gains for bulk commodities (mainly coarse grains and soybeans, and to a lesser extent, wheat and cotton) are driving the recovery. Gains for high-value products also are evident. Based on performance to date, U.S. agricultural exports are now favorably positioned to achieve a new record to Mexico in fiscal year 1996.

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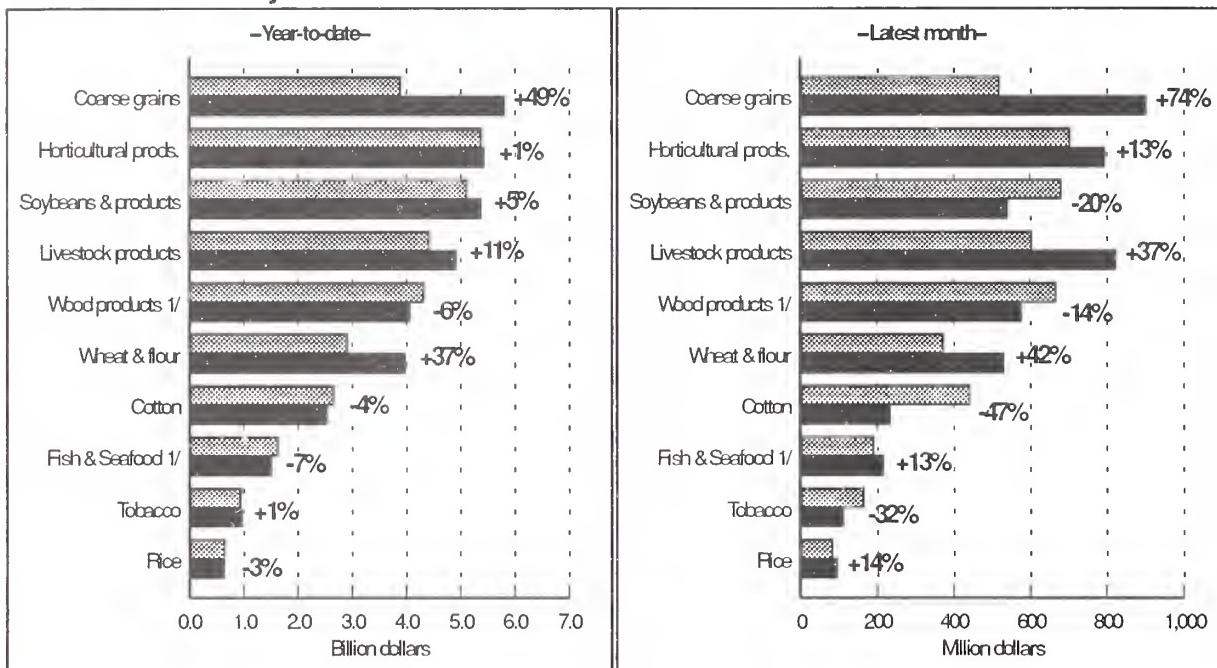
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U.S. Agricultural, Fish, and Wood Export Summaries

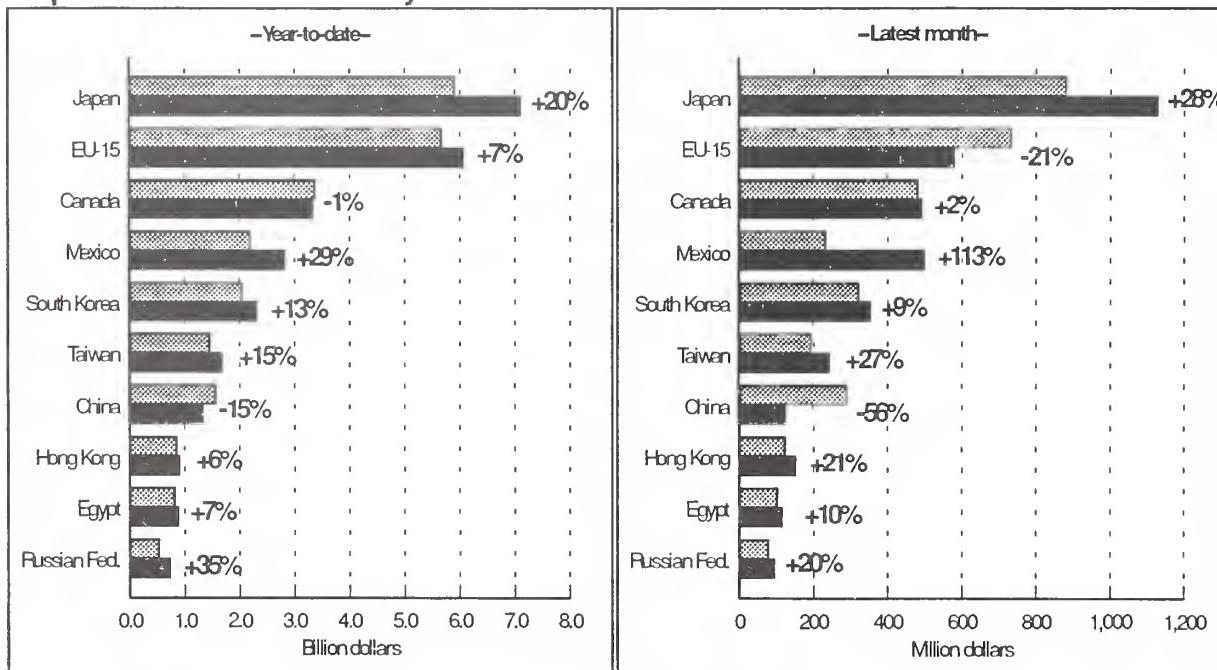
October-April and Latest Month Comparisons

FY 95 FY 96

Product Summary



Top Ten Markets Summary



Note: Percentages are computed as the change from a year ago.

1/ Not included in agricultural totals.

Feature Story: Agriculture--The Largest Positive Contributor to the Nation's Merchandise Trade Balance

Agriculture continues its unbroken 36-year record of trade surpluses. In 1995, it became the largest positive contributor to the U.S. merchandise trade balance. Agriculture's trade surplus of \$25.8 billion nearly equaled the nation's expenditures on imported vehicles from Japan. In 1996, agriculture's trade surplus is expected to reach almost \$30 billion. As such, agriculture should continue as a shining star in the nation's balance-of-trade picture.

The Foreign Agricultural Service has tracked and reported on the trade performance of 11 major U.S. industries for several years. Agriculture placed in the top three among 11 major industries throughout the 1990s, and it rose to first place in 1995. Agriculture's trade surplus of \$25.8 billion placed it well ahead of second-ranked chemicals, third-ranked aircraft/ships/trains and fourth-ranked industrial machinery. The remaining seven industries tracked by FAS all recorded trade deficits. Mineral fuels and products and road vehicles suffered the largest trade deficits.

The total U.S. merchandise trade deficit grew \$8.4 billion to a record \$174.5 billion in 1995. Although the pace of export growth was slightly higher than the pace of import growth, the trade balance deteriorated because total import value is considerably

larger than total export value. Deficits grew 3-25 percent for the seven major industries that recorded trade deficits in 1994, and the trade surplus for aircraft/ships/trains fell 18 percent or \$4.4 billion. The aircraft/ships/trains industry was the top-ranked positive contributor to the nation's trade balance in 1994. Agriculture's trade surplus rose 37 percent or \$6.9 billion.

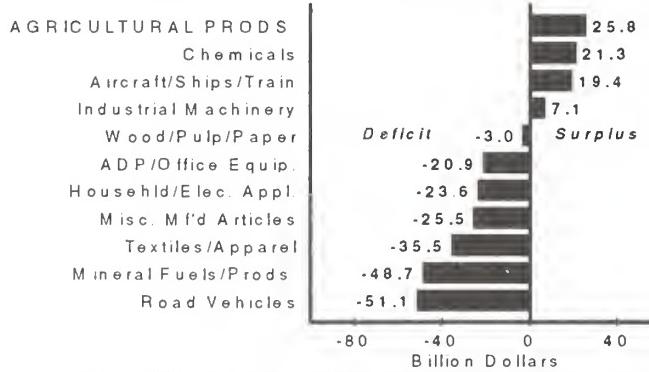
Compared to the previous year, total U.S. merchandise exports rose 14 percent to \$574.9 billion in 1995. Including agriculture, the top five industries accounted for 60 percent of all exports. Household/electrical appliances and industrial machinery were clearly in the lead at \$86 billion and \$76.6 billion, respectively. Ten of the 11 major industries recorded sales gains from the previous year. Agricultural exports reached \$55.8 billion, up \$10.1 billion or 22 percent from 1994. Ranked the fifth

largest export industry, agriculture accounted for 10 percent of total U.S. merchandise exports in 1995.

Turning to the other half of the equation, total U.S. merchandise imports reached \$749.3 billion, up 12 percent from 1994. Household/electrical appliance and road vehicle imports were clearly in the lead at \$109.6 billion and \$100.3 billion, respectively. Miscellaneous manufactured articles placed a distant third at \$84.3 billion. With the exception of aircraft/ships/trains, all other ten major industries recorded higher imports in 1995. Agricultural imports rose \$3.2 billion to \$30 billion, up 12 percent from the previous year. Of the 11 major industries, agriculture remained in ninth place, accounting for only 4 percent of total U.S. merchandise imports.

The U.S. merchandise trade deficit reached a record \$174.5 billion in 1995. Without agriculture's surplus, the total trade deficit would have risen to \$200.2 billion. Although a relatively open import regime and rising consumer demand for imported foods are expected to fuel the long-term growth in U.S. agricultural imports, agricultural export gains should continue outpacing the growth in imports through the end of this decade. Led by aggressive export promotion activities, a competitively-priced U.S. dollar, and improved access to foreign markets, agriculture should continue as a positive force for the nation's trade account.

Agriculture was the Largest Positive Contributor to U.S. Merchandise Trade Balance in 1995

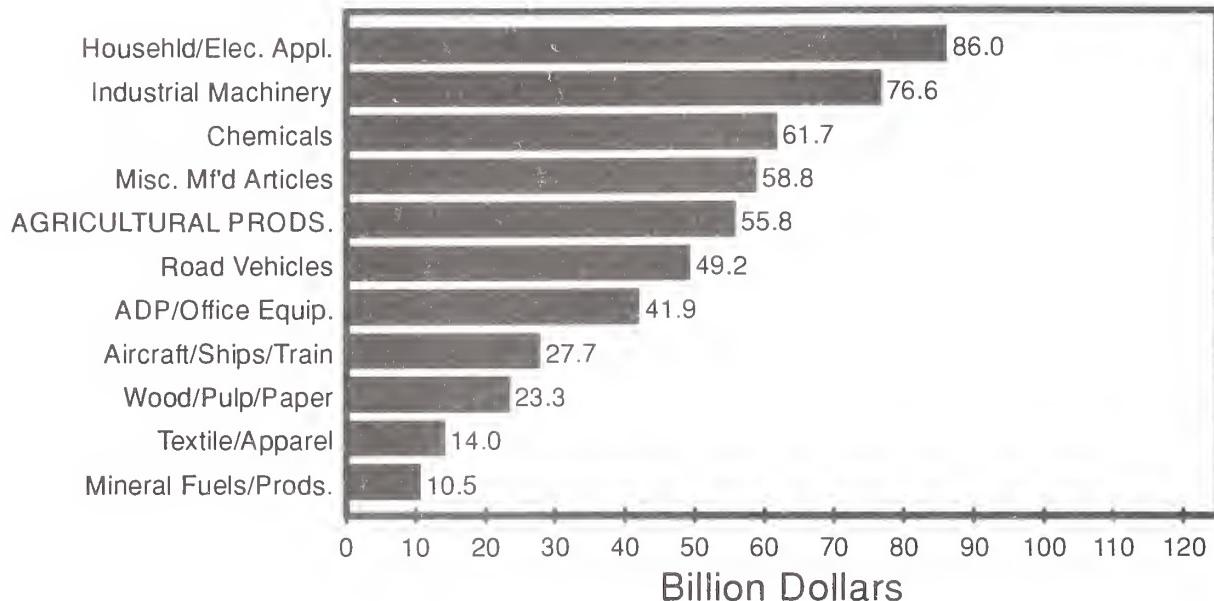


Trade in Services

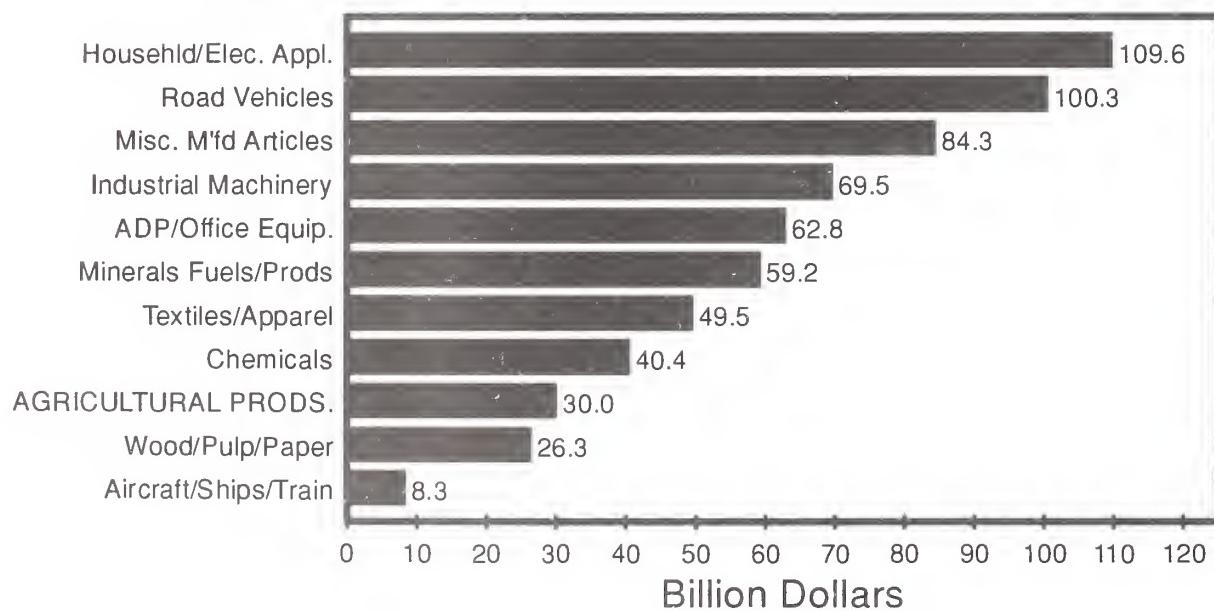
Unlike general merchandise trade, the United States enjoys a substantial surplus in services. In 1995, the value of services exported rose 5 percent to \$208.8 billion, while the value of imports rose at the same pace to \$145.4 billion. Thus, the trade surplus in services reached a record \$63.4 billion in 1995, a \$3.5-billion increase over the previous year.

...Agriculture and the Nation's Trade Balance

U.S. Agricultural Exports Ranked 5th



Agricultural Products Only 4% of Imports



Country Profile: Brazil

U.S. exports of agricultural products to Brazil are up markedly following the implementation in 1994 of the Government's economic stabilization program called the Plano Real (Real Plan). The Real Plan brought Brazil's hyperinflation under control while spurring economic growth and fostering a marked rise in consumer spending. The market liberalization features of the Real Plan combined with the maintenance of an overvalued currency have led to record import levels. Because the Brazilian Government traditionally has insulated its domestic food industry from foreign competition, most Brazilian consumers are not familiar with U.S. consumer-oriented agricultural products. U.S. penetration of the Brazilian market is further hampered by inadequate contacts between U.S. exporters and Brazilian importers. USDA is supporting U.S. companies in their promotional efforts in the Brazilian market by organizing the Great American Food Show--Brazil '96, which is scheduled for August 26-28, 1996, in Sao Paulo, Brazil.

Brazil is a developing nation with the largest market economy in Latin America (10th largest in the world). The Brazilian population is estimated at 160 million people, but only about 40 percent are economically active. The market for imported consumer-oriented agricultural products is limited to no more than 10 million people. However, if the Government's economic policies continue to be effective in raising

consumer purchasing power, the potential customer base could double to 20 million people. Due in large part to the Real Plan, the Brazilian economy grew more than 5 percent last year. Food import demand continues to strengthen, with per capita income in 1996 forecast to rise 3 percent to \$4,100.

For many Brazilians, the success of the plan is gauged by the harnessing of the

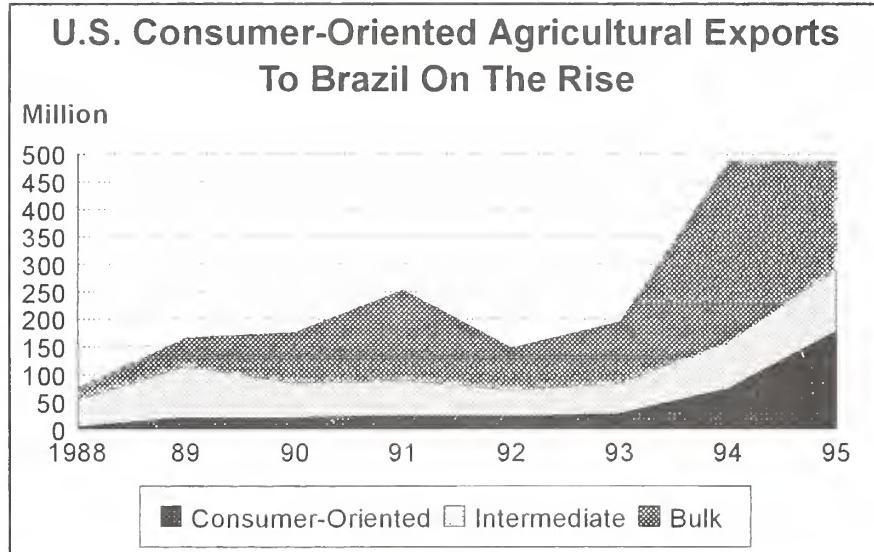
country's runaway inflation. Inflation in 1996 is projected at approximately 12 percent compared to 1,141 percent in 1994. During the early stages of the Real Plan, the Government utilized imports as a strategic tool in the fight against inflation. Import duty rates were reduced to encourage increased imports, which tempered the rise in domestic price levels.

Interest rates have been kept high under the economic stabilization program and the real, a newly introduced currency, is being maintained at an inflated value in relation to the dollar. The overvalued real makes Brazil's exports less competitive and encourages imports.

Brazil's economic stabilization plan has had a negative impact on agricultural production and profitability. According to Brazilian Ministry of Agriculture estimates, farm income dropped 26 percent in 1995 from a year earlier and agriculture's share of the nation's gross domestic product fell from 11 percent to about 8.5 percent. In order to avoid massive defaults within the farming community, the Government was compelled to renegotiate some \$7 billion in outstanding loans to producers.

Market Overview

Brazil is highly urbanized, with nearly all imported consumer-oriented food products merchandised in Brazil's urban centers. Sao Paulo and Rio de Janeiro represent a megalopolis of approximately 30 million people and account for the country's greatest concentration of high-income residents. These 2 cities represent a potential customer base for U.S. exporters nearly equivalent to Argentina. Brazil is experiencing rapid growth in the number of speciality and convenience stores found in high-income



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neighborhoods which feature imported foods. Until recently, supermarkets only displayed imported products in separate imported food sections. Most now display imported foods on the same shelves with domestic products. Fast-food restaurants, franchised almost exclusively by U.S. companies, are becoming increasingly popular and are playing a key role in reshaping consumer eating and food spending habits.

In the past, most imported high-value, consumer-ready food products entered Brazil during a window of 2 to 3 months leading up to and including the Christmas season. During this period, import regulations were relaxed to allow an increased holiday trade. This pattern has changed significantly following the trade liberalization implemented since 1990. Consumer-ready food imports and, therefore, consumption of these imported foods now occurs throughout the year.

Consumer purchasing habits of both the rich and the poor in Brazil have been changed dramatically by the Real Plan. High-income Brazilians have incorporated imported consumer-ready products as regular components of their food budget rather than occasional novelty purchases. For the bottom half of Brazil's 160 million people, it means eating protein from meat instead of rice and dry edible beans. Poultry consumption is estimated to increase 13 percent in 1996 compared to last year. Consumption of pork, fruit, milk, cookies and other consumer-ready products has increased significantly as a result of the Real Plan. Many Brazilians, who heretofore never considered purchasing imported foods, have now become potential customers.

Trade Policy

Traditionally, Brazil protected its domestic food processing industry from foreign competition by discouraging

imports of all but a few raw or semi-processed agricultural products. Most imports received further processing in Brazil and were then marketed internally or re-exported. Imports of U.S. consumer-oriented foods were capped at minimal levels.

An initial stage of trade policy reforms was introduced in 1990 as a first step in opening the market. It featured a new tariff schedule which replaced non-tariff barriers such as import quotas and prohibited product lists. Domestic food prices also were deregulated. Although these were positive steps in facilitating trade, overall import levels were not significantly boosted since imported food items continued to be too expensive for most Brazilian consumers due to high tariffs and other import charges.

Brazil's trade picture changed dramatically, however, with the economic stabilization program initiated by the Government in 1994. Economic measures adopted under the Plan successfully curbed inflation, produced an overvalued currency, reduced import taxes, and sharply increased consumer purchasing power. All of these produced a boom in consumer spending. Imported consumer-ready foods became price competitive for the first time with locally produced products and quickly rose to record levels.

Duties and Health Regulations

Brazil now applies the common external tariffs of the Mercosur customs union formed with Argentina, Uruguay, and Paraguay in January 1995. For agricultural goods entering Brazil from non-member Mercosur countries, duties have been lowered to an average of 20 percent. Some duties, however, were increased. This includes rice which experienced a doubling from 10 to 20 percent. Reportedly, Brazil's import duty on wine will be increased from 20

percent to 40 percent. The duty on wine, however, remains significantly below the 80 percent assessed prior to 1990. A zero duty rate generally applies on agricultural trade within Mercosur. The favorable duty treatment offered within Mercosur has opened new trade possibilities. With an eye to the Mercosur market, Brazilian firms are actively seeking joint ventures with foreign-based food processing companies. These new business alliances bring much needed investment to Brazil's food processing industry. Many Brazilian producers also have been induced by Mercosur to establish production facilities in neighboring countries.

Brazil is harmonizing its sanitary and phytosanitary regulations with its Mercosur partners. It is in the process of re-writing its import requirements for a number of agricultural products. During 1995, this caused numerous port delays, especially for horticultural products. Brazil is expected to continue to issue new regulations during 1996. USDA officials have been meeting regularly with Brazilian import authorities to clarify these new regulations and to maintain market access.

Export Incentives

Although Brazil does not have any direct export taxes or subsidy programs for agricultural products, it does apply an ICMS tax to the market value of all goods and services. The ICMS tax varies by commodity and state, and represents a major source of revenue for local governments. The ICMS tax is structured in such a way that the export of soybean oil and soybean meal is favored over the export of soybeans. The United States is opposed to Brazil's ICMS tax based on its trade distortive effects and anticipates that future trade negotiations will further reduce export

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subsidies and discipline differential export tax systems, such as Brazil's ICMS tax, since they can provide benefits which act as export subsidies.

Trade Trends

Brazil's overall trade surplus fell to \$500 million in 1995 from \$10.4 billion in 1994. Brazilian exports in 1995 totaled \$45 billion, essentially unchanged from 1994. Imports, however, increased nearly 34 percent above a year earlier to \$44.5 billion in 1995. The overvaluation of Brazil's currency has reduced the competitiveness of Brazil's exports in the international market while at the same time encouraging imports.

Brazil is endowed with immense agricultural resources and is a major competitor in world markets. It is the world's largest exporter of coffee, tobacco, orange juice, soybean meal, and soybean oil. It ranks second in exports of soybeans and cocoa, third in peanut oil, fifth in beef, and sixth in poultry. Brazilian trade data for 1994, the most recent year for which detailed statistics are available, place Brazilian exports of agricultural products at \$13.9 billion while imports reached \$4.3 billion. Agricultural import value in 1994 nearly doubled from a year earlier compared to a 29-percent increase in export value.

Although U.S. agricultural exports to Brazil have increased markedly in recent years, in response to the market opening initiatives of the Brazilian Government, Brazil continues to run a positive agricultural trade balance with the United States. U.S. imports from Brazil in 1995 of agricultural, fish and forest products totaled \$1.6 billion while U.S. exports to Brazil were valued at \$490 million, yielding a trade balance in Brazil's favor of \$1.1 billion. In the long term, agricultural trade flows between the United States and Brazil are projected to

expand, with the balance of trade continuing to favor Brazil.

Market Competition

Brazil has a relatively well developed food processing industry, providing Brazilian consumers with a broad array of consumer-ready food products. Until 1990, when Brazil enacted measures which opened the market to foreign competition, consumers were forced to accept average-quality products at non-competitive prices. In recent years, however, local manufacturers have been forced to become more quality conscious or face the prospect of losing market share to imported products. As a general rule, Brazilian food manufacturers compete aggressively with imported consumer-ready foods on a price basis, but are less effective when attempting to match the quality and new product innovations offered by the United States.

The United States is at a clear disadvantage in the Brazilian market to other regional members of Mercosur. Although Brazilian duty rates on non-Mercosur countries have been reduced in recent years, agricultural products supplied by Mercosur countries usually receive duty-free treatment. Regional food manufacturers also benefit from lower transportation rates and, in many cases, their products enjoy established consumer brand loyalty. These factors enable regionally produced dairy and meat products to be highly price competitive, while local consumer preferences have developed for regionally produced fresh fruit such as apples and pears. Regional trade levels have expanded markedly due in large part to the Mercosur customs union. Brazil is now Argentina's major trading partner.

Despite these obstacles, the Brazilian market offers exceptional marketing opportunities for U.S. exporters. Twelve

of the 16 U.S. consumer-oriented product categories registered record export figures for calendar year 1995. In total, U.S. exports of consumer-oriented agricultural products to Brazil last year reached a record \$176 million, up 146 percent over 1994 and more than 6 times the level of 1993. Export sales opportunities are best for those items which are not obtainable regionally, offer a significant quality differential, or generate a strong demand during the Southern Hemisphere off-season period. This includes selective dried fruit, treenuts, juices, and seasoning; livestock and animal genetics; fresh fruit, vegetable and forage seeds for planting; and snack foods.

U.S. Market Position

U.S. market position in Brazil has eroded in recent years due to aggressive marketing efforts of other suppliers, and the preferential duty treatment afforded other Mercosur member countries. According to Brazilian trade data, the U.S. share of Brazil's agricultural imports fell to 11 percent in 1994, about half the level of past years.

Marketing program expenditures in Brazil by U.S. competitors is rising. Member countries of the European Union are expected to increase their budgeted program levels in Brazil from \$500,000 in 1995 to \$600,000 in 1996, and to \$700,000 in 1997. Approximately two-thirds of the EU's total promotional expenditures are targeted at expanding sales of processed foods. U.S. expenditures for market development and promotion of agricultural products in Brazil in fiscal year 1995 are estimated \$1.6 million.

In spite of the overall decline in U.S. market share, Brazil continues to rely upon the United States as the dominant

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supplier of several food and agricultural commodity imports. In 1994, the United States supplied approximately 80 percent of Brazil's beer imports, 75 percent of all imports of hops and planting seeds, 70 percent of its soybean imports, 60 percent of its snack food imports, 45 percent of its tallow imports, and 40 percent of all imports of processed fruits and vegetables. Additionally, U.S. products accounted for a significant share of Brazil's imports of fresh fruit, treenuts, rice, corn, wheat, and cotton.

Distribution System

Brazil's food distribution system for imported consumer-ready foods is undergoing important changes. In the past, when the Brazilian market was essentially closed to foreign competition, import agents were the key individuals to sell to in Brazil. The trade liberalization policies of recent years, however, have reduced the importance of having an import agent. Many supermarkets and food manufacturers are now buying directly from foreign exporters. Brazilian participation in European and U.S. trade shows is mainly responsible for the growth in direct channel import purchasing.

U.S. food exporters will find that establishing contacts with major Brazilian food wholesalers will pay dividends in getting their products into the local retail network. Nearly all Brazilian buyers of imported food products are located in Sao Paulo and Rio de Janeiro, with imports entering through the ports of Rio and Santos, Sao Paulo. The USDA sponsored Great American Food Show-Brazil '96, which will take place in Sao Paulo next month, will provide an excellent opportunity for U.S. exporters to establish relations with key Brazilian buyers of imported processed foods.

The Paulista Association of Supermarkets

(APAS), representing the state of Sao Paulo's supermarket industry, recognizes the increasing role of imported food products in Brazil. APAS officials urged the U.S. food industry to open an exhibition center in Sao Paulo so that potential Brazilian buyers can gain wider access to the myriad of U.S. food products available. APAS offers to assist U.S. exporters in gaining exposure for their products by allowing them to advertise in a special section of its monthly trade publication. This can be an effective means of reaching out to the 1,000 members of APAS. APAS members operate more than 8,000 supermarkets and account for nearly 45 percent of total Brazilian supermarket sales. For further information about APAS, you should contact:

Mr. Jose Mayer
Communication and Events Manager
Associacao Paulista de Supermercados
Av. Sao Gualter, 318/346
Sao Paulo, SP Brazil
Tel. (011-55-11) 832-1350
Fax (011-55-11) 260-3967

Food Import Regulations

An import license is required and must be obtained at the Department of Foreign Trade by the importer. The importer also must arrange for customs clearance, pay appropriate duties and other taxes, and register imported food products at the Ministry of Health. All food and beverage imports must provide correct, clear, and easily readable information about the product's quality, quantity, composition, shelf life, and origin. Local importers or distributors usually affix to the foreign label a small adhesive label in Portuguese which conveys the most important food label requirements.

U.S. exporters may find it useful to contact the Brazilian Association of Food Industries (ABIA) for assistance in

gaining detailed information regarding Brazilian food safety and labeling requirements. For a fee, ABIA offers to advise on all Brazilian import regulations and will assess product potential in the Brazilian market. For further information on ABIA, you should contact:

Ms. Suzie Richter
Technical Manager
ABIA Services
Av. Grig. Faria Lima, 2003, 11th Floor
01451-001 Sao Paulo, SP/Brazil
Tel: (011-55-11) 816-5733
Fax (011-55-11) 814-6688

Best Export Prospects

Fresh fruit imports from the United States rose 41 percent in value to a record \$20.9 million in 1995. Increased shipments of apples, pears, grapes, and plums largely were responsible for the jump in exports. Although Chile and Argentina offer stiff competition, potential sales growth does exist. At present, U.S. fruit accounts for only 3 percent of total Brazilian fruit import value, but by focusing on those commodities which have quality or seasonal advantages, U.S. market share could triple.

Snack food imports have grown rapidly in recent years due to the removal of import restrictions, duty reductions, and a rise in consumer purchasing power. U.S. snack foods enjoy a quality image in Brazil and hold a major share of the import market. U.S. exports of snack foods increased from \$7.5 million in 1994 to more than \$16 million in 1995. Potato and corn chips account for roughly 40 percent of total U.S. export value. Pringles is the most popular import brand. Although consumers generally are not as familiar with pretzels as other salty snacks, this product sells well in Brazil. Brazilian

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annual import demand for microwave popcorn is estimated at more than \$4 million. Sales of imported candy and chewing gum are rising rapidly in stores serving high-income urban areas. U.S. candy generally is viewed as superior in both product quality and packaging to local production.

Treenut imports from the United States consist largely of almonds, walnuts, and filberts. These treenuts have become known in Brazil as "Christmas items" since the Government in past years allowed them to enter only during the holiday season. They are readily available to Brazilian consumers throughout the year. U.S. exports of treenuts, including pistachio nuts which tripled in export value, rose to a record \$11.5 million in 1995.

Beer and hop export potential to the Brazilian market is excellent. The import duty on beer was reduced from 80 percent to 20 percent. American beer is well known in Brazil and has established a dominant share of the import market. The U.S. brand Budweiser accounts for 45 percent of Brazil's beer imports. Imported beer represents only one percent of total consumption, but could rise to 5 percent in the next few years. U.S. beer exports to Brazil increased from \$14.7 million in 1994 to \$44.3 million in 1995. Hop sales to local beer producers jumped 45 percent to \$21.5 million in 1995.

Dairy product sales opportunities in Brazil are most promising for processed cheese, ice cream, and powdered milk. Although the Brazilian Government decontrolled the dairy sector and local output has increased, powdered milk imports often are necessary to satisfy local demand. U.S. cheese exports to Brazil in 1995 reached \$5.3 million, up from \$1.6 million a year earlier. Supported by USDA's Dairy Export

Incentive Program, U.S. powdered milk shipments in 1995 rose to \$8.5 million compared to \$100,000 in 1994. U.S. frozen yogurt and ice cream sales to Brazil also increased markedly last year and although they are still small in dollar terms, potential for further growth exists.

Frozen potato product imports from the United States increased from \$450,000 in 1994 to \$8.1 million last year. Brazil is experiencing rapid growth in fast food restaurants, which account for about 90 percent of U.S. frozen potato product sales to Brazil. The domestic industry cannot satisfy local demand due to inadequate processing capacity and a shortage of high quality varieties such as Russet Burbank which is grown in the United States. Export potential is exceptional given the high level of restaurant patronage and a positive consumer attitude toward frozen french fries.

U.S. food preparations and condiments are now able to compete more effectively with regional suppliers thanks to recent duty reductions. Excellent potential exists for expanding sales of breakfast cereals, salad dressings, etc., but a general lack of awareness among Brazilian consumers must be overcome. The United States holds no more than a 5-percent share of the Brazilian import market, estimated at \$75 million for these food items.

Wheat import purchases from the United States surged in late 1995 due to low domestic stocks and tight world exportable supplies. Brazil agreed to accept U.S. wheat with the declaration that it originates in areas where Karnal bunt is not known to occur. Argentina is the dominant supplier given its lower transport costs and the avoidance of payment of the 10-percent duty on imports applied to non-Mercosur

countries. The export sales outlook for U.S. wheat exporters remains bright given that Brazil's crop falls far short of meeting consumer demand. Although, the Brazilian Government is attempting to promote local wheat production, future crop increases are not likely to be sufficient to meet more than half of the country's growing internal needs. U.S. wheat exports to Brazil have averaged 185,000 tons over the past 5 years. U.S. wheat sales to Brazil for delivery during the 1996/97 marketing season, however, total a record 1.1 million tons.

Corn imports will continue due to shortfalls in production and growth in corn feed use. Rapid expansion of Brazil's poultry industry, particularly in the northeast, will create sales opportunities which can be maximized by utilization of USDA's export credit guarantee program.

Soybean imports are encouraged by Brazil's drawback program, whereby Brazilian processors are able to finance purchases via international loans with interest rates significantly below domestic market levels. Soybean imports enter Brazil duty-free under the drawback program. The importer is obliged to re-export an equivalent volume of meal and oil within 60 days. Heavy U.S. soybean exports to Brazil in 1994 and early 1995 were encouraged by the overvaluation of the Real, Brazil's currency, and a strong international demand for vegetable oil.

Cotton production is trending downward in Brazil while consumption is growing, giving rise to a strong import demand. The Brazilian Government recently concluded its countervailing duty investigation of imports of U.S. cotton. The investigation did not find a causal link between increased imports of U.S. cotton and the alleged injury to

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Brazilian producers. Hence, no countervailing duties will be applied to U.S. cotton imports into Brazil. U.S. cotton exports to Brazil reached a record \$84.6 million in 1995.

Brazilian Importers

A listing of Brazilian importers of consumer-ready agricultural products follows. (*NOTE: This partial listing of importers is furnished with the understanding that no discrimination is intended and no guarantee of reliability is implied.*)

Alberto Sequeira S.A. Com. Exportador
Av. Rio Branco, 18-19 andar
20090-000 Rio de Janeiro, RJ Brazil
Tel. (011-55-11) 233-9101
Fax (011-55-11) 518-1362

Aurora Ind. E Com.
Rua Funchal, 449
04551-060 Sao Paulo, SP Brazil
Tel. (011-55-11) 820-2288
Fax (011-55-11) 820-2735

Bacco's
Av. Brig. Faria Lima, 1191-11
01451-000 Sao Paulo, SP Brazil
Tel. (011-55-11) 212-2488
Fax (011-55-11) 212-2488

Barteiro
Rua Vergueiro, 5002
04102-000 Sao Paulo, SP Brazil
Tel. (011-55-11) 570-3386
Fax (011-55-11) 571-2308

Carrefour Ind. E Com.
Rua Paul Valery, 255
04719-000 Sao Paulo, SP Brazil
Tel. (011-55-11) 521-3011
Fax (011-55-11) 523-9425

Casa Prata Imp. E Comercio Ltda.
Av. Santo Amaro, 241
04505-000 Sao Paulo, SP Brazil
Tel. (011-55-11) 884-2000

Fax (011-55-11) 884-9529

Casa Ricardo
Av. Dr. Vieira de Carvalho, 48
01210-010 Sao Paulo, SP Brazil
Tel. (011-55-11) 222-6199
Fax (011-55-11) 229-5672

Casa Santa Luzia
Alameda Lorena, 1471
01424-011 Sao Paulo, SP Brazil
Tel. (011-55-11) 883-5844
Fax (011-55-11) 280-0633

Casas Da Banha Com. E Ind.
Rua da Proclamacao, 855
21040-000 Rio de Janeiro RJ Brazil
Tel. (011-55-21) 590-5122
Fax (011-55-21) 270-9491

Casas Sendas
Rodovia Presidente Dutra Km 4674
25565-350 Sao Joao do Meriti, RJ Brazil
Tel. (011-55-21) 751-2120
Fax. (011-55-21) 756-2945

Dias Pastorinho S/A Com. Ind.
Av. Gal. Ataliba Leonel, 1691
02033-010 Sao Paulo, SP Brazil
Tel. (011-55-11) 959-0544
Fax (011-55-11) 950-2464

Eldorado
Av. Reboucas, 3970
05402-600 Sao Paulo, SP Brazil
Tel. (011-55-11) 815-7066
Fax (011-55-11) 280-0663

Hikari
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This report was prepared from post reporting submitted by FAS staff in Brazil.

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US Exports of Agricultural, Fish & Wood Products to BRAZIL

Calendar Years 1991 to 1996 and Year-to-Date Comparisons (\$1,000)

Product	Calendar Years					January-April		% Chg
	1991	1992	1993	1994	1995	1995	1996	
Bulk Agricultural Total	167,153	79,434	114,632	326,743	196,773	84,273	60,378	-28.4%
Wheat	72,040	15,326	22,837	0	68,981	72	12,298	16980.6%
Coarse Grains	16,208	1,171	7,247	40,047	6,292	4,293	529	-87.7%
Rice	66,748	2,245	1,965	63,802	10,423	8,661	339	-96.1%
Soybeans	6,909	55,845	0	133,797 *	19,774	19,774	0	-100.0%
Cotton	4,383	3,859	80,966	83,248	84,615 *	47,548	45,394	-4.5%
Tobacco	17	19	0	19	91	21	24	14.3%
Pulses	157	120	816	3,892	3,305	2,049	1,122	-45.2%
Peanuts	128	159	163	278	455 *	117	66	-43.6%
Other Bulk Commodities	562	690	637	1,659	2,837 *	1,736	607	-65.0%
Intermediate Agricultural Total	62,506	46,628	54,128	88,251	113,911 *	46,767	29,859	-36.2%
Wheat Flour	761	0	19	9	132	7	58	728.6%
Soybean Meal	0	0	0	0	5 *	0	0	NA
Soybean Oil	180	0	0	469	145	145	0	-100.0%
Other Vegetable Oils	101	1,479	2,160	4,604 *	2,131	584	589	0.9%
Feeds & Fodders (excl. pet foods)	1,929	3,096	3,474	7,780	8,699 *	1,915	4,794	150.3%
Live Animals	17,009	12,518	12,339	12,415	14,179	4,282	1,802	-57.9%
Hides & Skins	890	193	352	941	2,445	377	1,033	174.0%
Animal Fats	10,075	4,057	7,845	16,196	14,288	12,324	1,451	-88.2%
Planting Seeds	3,186	3,053	5,727	5,653	7,523 *	2,826	2,591	-8.3%
Sugars, Sweeteners & Bever. Bases	456	264	1,035	3,914	10,290 *	3,766	2,619	-30.5%
Other Intermediate Products	27,919	21,968	21,176	36,271	54,074 *	20,540	14,922	-27.4%
Consumer-Oriented Agricultural Total	24,287	21,689	26,506	71,680	176,370 *	46,343	43,874	-5.3%
Snack Foods (excluding nuts)	3,848	4,306	4,248	7,564	16,231 *	5,978	5,225	-12.6%
Breakfast Cereals & Pancake Mix	89	350	138	693	1,405	761	1,584 *	108.1%
Red Meats, Chilled/Frozen	3,291	161	1,381	2,133	3,324	1,204	1,406	16.8%
Red Meats, Prepared/Preserved	126	151	32	539	653 *	341	48	-85.9%
Poultry Meat	40	0	64	668	1,223 *	528	242	-54.2%
Dairy Products	309	4,299	1,167	3,410	17,714	5,206	4,529	-13.0%
Eggs & Products	1,721	854	1,705	800	2,633 *	845	1,049	24.1%
Fresh Fruit	1,724	1,431	2,417	14,794	20,879 *	741	945	27.5%
Fresh Vegetables	5	39	247	145	1,757 *	419	394	-6.0%
Processed Fruit & Vegetables	2,649	2,090	3,499	5,688	19,555 *	7,019	2,368	-66.3%
Fruit & Vegetable Juices	60	16	121	403	2,319 *	420	333	-20.7%
Tree Nuts	2,900	2,468	3,478	9,148	11,475 *	2,653	1,886	-28.9%
Wine and Beer	4,759	3,712	3,789	15,475	44,971 *	11,763	13,046	10.9%
Nursery Products & Cut Flowers	3	46	34	411 *	371	35	76	117.1%
Pet Foods, Dog/Cat	38	31	302	1,947	6,119 *	1,225	1,931	57.6%
Other Consumer-Oriented Products	2,723	1,736	3,883	7,865	25,741 *	7,205	8,813	22.3%
Wood Products Total	1,655	1,340	1,514	2,425	1,947	468	2,351	402.4%
Logs	0	0	0	0	76	32	47	46.9%
Lumber	95	0	35	35	85	0	3	NA
Plywood & Panel Products	268	539	804	1,239 *	471	59	241	308.5%
Other Wood Products	1,292	801	675	1,151	1,315	377	2,060 *	446.4%
Fish & Seafood Products Total (Edible)	456	309	320	1,409 *	836	600	324	-46.0%
Salmon, Whole/Eviscerated	0	0	0	3	77 *	74	30	-59.5%
Salmon, Canned	0	0	0	0	3	3	0	-100.0%
Crab & Crabmeat	8	116 *	0	0	8	0	27	NA
Surimi (fish paste)	N/A	0	0	0	0	0	0	NA
Roe & Urchin	0	9	12	0	0	0	0	NA
Other Edible Fish & Seafood Products	448	184	308	1,406 *	748	523	267	-48.9%
Agricultural Product Total	253,946	147,751	195,266	486,674	487,054	177,383	134,111	-24.4%
Agricultural, Fish & Wood Product Total	256,057	149,400	197,100	490,508	489,837	178,451	136,786	-23.3%

Note: (*) Highest export level since at least 1970; N/A = not available; NA = not applicable.

Trade Event: Great American Food Show--Brazil '96

The U.S. Department of Agriculture's Trade Show Office has organized the Great American Food Show--Brazil '96. The show is scheduled for August 26 - 28, 1996. Limited exhibitor space is still available, however, you must act quickly to secure a booth.

This important trade event will take place in the Brazilian city of Sao Paulo and will attract key importers, wholesalers, retailers, and food service buyers throughout Brazil. Brazil is a highly urbanized country, with a well developed food marketing system. Sao Paulo itself is the economic engine of the country and is considered the second largest city in the world. This show will afford U.S. exhibitors the opportunity to present their food products while establishing relationships with important members of Brazil's food industry. Brazilian consumers are now seeking Western-style products thanks to recently implemented trade reforms, but are largely unfamiliar with U.S. processed foods.

Trade Reform

Brazil has been dismantling trade barriers and reducing import duties since 1990. Economic reforms have tamed Brazil's inflation and fostered a boom in consumption. Brazil's currency remains exceptionally strong, allowing imports to become price competitive with locally produced goods. Imported foods are rapidly being incorporated into the marketing strategies of supermarket and convenience stores.

Business Environment

In the past, Brazilian consumers were forced to accept average quality products produced in Brazil at non-competitive prices. Local manufacturers are now facing the necessity of improving their quality or lose market share to imported alternatives. Locally produced foods compete well with imports on a price basis, but generally are less effective in matching the quality, selection, and new product innovations offered by the United States.

Sao Paulo's supermarket industry welcomes your participation at the Great American Food Show--Brazil '96. Brazilian supermarket operators are eager to gain wider access to the myriad of U.S. food products available. They recognize that imported foods are now a key component of their marketing strategies, and a broader selection enhances their profitability in what is becoming an increasingly competitive environment.

USDA market development efforts in Brazil this year will feature this show as a cost effective promotional vehicle.

Based on USDA trade show data, which indicate an average of 13 promising contacts per show, exhibitor cost per promising contact is projected at only \$546. The Great American Food Show--Brazil '96 is a marketing opportunity that no forward-looking exporter can afford to miss.

Seminar Series

The Great American Food Show--Brazil '96 will feature a series of marketing seminars and workshops designed to provide exhibitors with the information necessary to achieve maximum sales results. Participants will include both U.S. exhibitors and the Brazilian trade. The seminars will focus on market conditions in Brazil, customs clearance issues, transportation, distribution, and product promotions. The seminars will also include an overview and outlook for Brazil's economic and financial picture. Visits to Brazilian supermarkets and retail outlets will be featured. A nominal fee will be charged for each seminar.

Product Eligibility

All products displayed at the Great American Food Show--Brazil '96 must be comprised of at least 50 percent agricultural and/or food ingredients of U.S. origin computed on a value or volume basis. Product labels must indicate that the products were either produced or processed in the United States.

Show Site

The Great American Food Show--Brazil '96 will take place in Sao Paulo's Transamerica Hotel. The hotel has a modern convention center, a 200-seat auditorium, and numerous conference rooms, making it the ideal location for the show. The hotel also offers a three-hole golf course, lighted tennis courts, squash, swimming pool, health club, and spacious gardens. USDA has negotiated discount rates for exhibitors electing to stay at the Transamerica hotel. Exhibitors are responsible for making their own room reservations and are under no obligation to stay at the hotel where the show is being held.

Show Management

The Great American Food Show--Brazil '96 is organized and managed by the Trade Show Office of the U.S. Department of Agriculture. The USDA Trade Show Office is an experienced exhibition organizer that has sponsored six to eight shows annually for the past 24 years.

...Brazil Food Show

Show Facilities and Services

USDA is offering exhibitors at the Great American Food Show--Brazil '96 an attractive, full-service package, including a fully appointed booth, product shipment and customs clearance, catalog entries, and high show visibility. The show will consist of 63 booths measuring 3 x 3 meters.

Product Shipment

The USDA Trade Show Office will ship, one-way, up to 300 pounds of product samples per booth from a consolidation point in New York City to the show site. Product samples must arrive at the consolidation point by August 8. This service includes customs clearance in Brazil. Exhibitors are responsible for delivery of product samples to the U.S. consolidation point.

Standard Booth Package

Standard booth appointments include:

A fascia board with firm name.
Two spotlights and one electrical outlet.
Sturdy back and side walls plus carpeting.
One demonstration counter and two chairs.
Six exhibitor passes and listing in show directory.
Shipping, customs clearance, and drayage of samples

Optional Services and Equipment

The following optional services and equipment will be available to exhibitors at an additional charge:

- 1: Interpreters and product demonstrators.
- 2: Additional exhibitor passes.
- 3: Extra equipment such as chillers, freezers, and microwave ovens.

Registration and Participation Fees

Any manufacturer, processor, or seller of U.S. food or beverage products interested in participating in the Great American Foods Show--Brazil '96 should contact the USDA Trade Show Office to obtain a reservation form, details of the terms and conditions related to show participation, and a floor plan showing booth layout. Registration forms must be received in time for your sample products to reach the New York consolidation point by August 8. The fee for the standard 3 x 3 booth package is \$2,500. A \$250 surcharge will apply to all corner booth/premium locations. Checks should be made payable to USDA/FAS.

Booth Selection and Assignment

Booth selection will be made on a first-come, first-served basis. Exhibitors are requested to designate in their reservation form their top three choices for booth assignment from the show's floor plan. Every attempt will be made to honor the first choice. If unable to assign the first choice, second and third choices will automatically be considered. If an exhibitor's top three choices are unavailable, the exhibitor will be contacted before a final assignment is made.

Official Show Catalog/Directory

Each exhibitor will receive a free listing in the show directory. The listing will contain the exhibitor's contact data, product line, and a brief description of the exhibitor's company. Forms for submitting directory entries will be included in the exhibitor manual.

The show directory will be available to the Brazilian food trade as a reference guide. Advertising space in the catalog is available to exhibitors seeking greater exposure than the standard entry, food companies not sending representatives to the show, and companies facilitating U.S. agricultural exports with non-agricultural goods and services. Details on advertising rates can be obtained from USDA's Trade Show Office.

Show Information

For additional assistance regarding your participation in the Great American Food Show--Brazil '96, you should contact Willis Collie, Trade Show Coordinator, at:

Phone: (202) 720-3623
Fax: (202) 690-4374

Market Updates

China Cancels U.S. Wheat Purchases; Buys Soybean Meal

China's state buying agency, COFCO, recently canceled another 250,000 tons of U.S. wheat sales, apparently due to concern over the fungus disease TCK. This brings wheat sales cancellations for delivery during marketing year 1996/97 to a total of 550,000 tons. These sales cancellations do not include cargoes rejected by Chinese quarantine officials in recent weeks due to TCK. In total, 100,000 tons of U.S. wheat has been denied entry at the port of Tianjin during the past couple of months. The rejected vessels highlight a marked change in the manner that alleged TCK infested shipments are handled in China. Previously, if the Chinese Animal Plant and Quarantine Service detected TCK, a price discount was negotiated between the exporter and importer to treat and clean the wheat.

Total U.S. wheat sales commitments to China in 1996/97 now stand at just over 1.7 million tons, with 257,000 tons already delivered. U.S. wheat exports to China during 1996/97 are forecast at about 3 million tons, the same level as a year earlier.

China recently purchased 25,000 tons of U.S. soybean meal. This represents the first Chinese purchase of U.S. soybean meal since November 1988. Normally, China is a major producer and exporter of soybean meal. However, USDA currently forecasts China to export only 400,000 tons of soybean meal in the current 1995/96 marketing season, down sharply from nearly 1.3 million tons a year earlier. The decline in exports is due to reduced soybean production combined with an increase in demand for protein meal. China's soybean meal imports are estimated at 600,000 tons in 1995/96, up from 50,000 tons in 1994/95. U.S. exporters will meet stiff competition in the Chinese market in the near-term from Indian suppliers who enjoy a transport cost advantage and from South American exporters who benefit from a differential export tax.

Korea Purchases Chinese Instead of U.S. Rice

South Korea elected to purchase 70,000 tons of Chinese rice from its June 19 tender. The decision to purchase from China came somewhat as a surprise, with the U.S. trade prepared to capture a significant share of the business. The United States is one of only three suppliers, along with Australia and China, of the high quality, medium-grain rice sought by Korea. China had been absent from the export market for more than 18 months. Lack of a large exportable surplus will likely limit Chinese rice exports in the near-term to sensitive and/or high-value markets such as Japan and Korea.

The purchase satisfies Korea's 1996 Uruguay Round minimum access commitment of 64,000 tons. USDA estimates Korean rice imports in 1996 at 200,000 tons. Korea's Government appears to be bolstering domestic stocks prior to the September harvest. South Korean aid shipments to North Korea accelerated its stock drawdown, leaving mostly older rice suitable for feed or industrial use.

Taiwan Tenders For U.S. Potatoes

Taiwan's Central Trust of China (CTC), a state buying agency, purchased 60 tons of U.S. potatoes at a May 31 tender. This is the first import tender for potatoes in 1996 and represents the reopening of Taiwan's potato market in the current marketing season. CTC plans to conduct similar tenders on a monthly basis until reaching an import level of 5,000 tons. U.S. potatoes purchased under these tenders must be loaded for shipment by November 30, 1996.

... Market Updates

India Curtails Wheat Exports

India has suspended 2 million tons of unallocated wheat export quotas, which could exacerbate already high world prices. India already has allocated 1 million tons so far out of an original 3-million ton allocation. The suspension comes after a significant decline this year in Government wheat procurement levels. By the end of the monsoon season in September, India is expected to be in an improved position to assess its exportable supplies, and a resumption in export quota allocations might occur. USDA is forecasting Indian wheat exports in 1996/97 at 2 million tons, up from 1 million tons a year earlier.

Australia Turns to Pest Resistant Cotton

Australia is evaluating a genetically engineered cotton variety for a limited commercial release for the 1996/97 season. If approved, this will be the first genetically engineered variety to be commercially grown in Australia. This new cotton variety, called Ingard, protects cotton plants from the boll caterpillar, which has developed a resistance to chemical treatment and is posing a major threat to the Australian cotton industry. The boll caterpillar already has stopped cotton production within certain regions of Australia.

Australia is the fourth largest exporter of cotton in the world, following in importance the United States, Uzbekistan, and Francophone Africa. Australian cotton production has averaged about 1.8 million bales during the past 5 years. Roughly 95 percent of Australia's crop is sold for export. Export destinations are dominated by the same Asian countries that are important markets for the United States. These include Japan, Indonesia, Korea, Taiwan, the Philippines, Malaysia, Thailand, and Hong Kong.

U.S. Participates In Iraqi Oil for Food Deal

The State Department announced that U.S. firms will be allowed to buy Iraqi oil and sell food and medicine to Iraq under the recently passed U.N. Resolution 986. Of the \$2 billion in oil revenues Iraq is allowed to earn over a 6-month period, 65 percent is to be earmarked for the purchase of critically needed food and medical supplies. For U.S. companies to participate in Iraqi trade, they must first receive a license from the Treasury Department. Prior to the Gulf War, one-third of all Iraqi wheat imports, half of its barley, all of its corn, and 85 percent of its rice imports came from the United States. Since the war, the limited quantity of wheat and wheat flour Iraq has purchased has been supplied by Australia, Turkey, and the EU, while the primary sources for its rice imports have been Thailand, Pakistan, India, and Vietnam.

Eastern Europe Expected To Seek Grain Imports

Although in recent years the United States has not been a major grain exporter to Eastern Europe, the grim supply situation there will likely create a strong demand for U.S. grain during the upcoming year. Weather has played a major factor in grain production but supplies in the region have dwindled in part due to red tape. The delayed distribution of grower financial supports and a shortage of producer credits have prevented or detained sowing activity and resulted in poor crop results. Several countries in Eastern Europe have taken steps toward encouraging grain imports while at the same time disabling exports. Some examples are Hungary's proposed zero duty on corn imports to offset feed shortages; Poland's controls on food exports and extended zero duty for imported grains; and Romanian and Bulgarian bans on wheat exports this year. The Eastern European region is forecast to import 1.4 million tons of wheat and 345,000 tons of coarse grains in 1996/97.

... Market Updates

EU In Compliance With Canned Fruit Agreement, But Other Subsidies Increase

During bilateral discussions concluded on June 28, the United States approved the EU's proposed 1996/97 canned fruit program as being in compliance with the 1985 U.S.-EC Canned Fruit Agreement. The Agreement provides that EU canners of peaches, pears, and fruit mixtures may receive processing aids only to the extent that their net cost of canning fruit remains at or above the world price.

EU commission officials expressed the expectation that withdrawal prices for fresh peaches, which are not included in the Canned Fruit Agreement, may be increased in the 1996/97 marketing season. The U.S. peach industry expresses serious concern that excessive EU withdrawal subsidies have circumvented the Canned Fruit Agreement by leading to excessive production, effectively further lowering prices paid by canners.

The EU's 1996/97 canned fruit program will leave minimum grower prices for peaches and pears unchanged from the previous season at approximately \$340 and \$490 per ton of canning fruit, respectively. The processing aid for peaches will stay at roughly \$108 per ton of finished product, while the aid for pears will decline 6.4 percent to about \$225 per ton.

EU Increases Export Refunds for Butter And Butter Oil

The EU Commission increased its export refunds (subsidies) approximately 10 percent for butter and butter oil to approximately \$2,188 and \$2,788 per ton, respectively. The increased export refunds represent a reversal of the 1995 and early 1996 pattern of successive reductions in subsidy levels. The upward adjustments were made to prevent an excessive buildup in intervention stocks and to counter falling international prices for butterfat. In contrast, butter prices in the United States have doubled since the middle of April due to tight markets.

Mexico Raises Corn Tariff Rate Quota

In response to record internal demand, the Mexican Government has adjusted its calendar year 1996 tariff rate quota (TRQ) on corn to 8.3 million tons. This is the fourth adjustment this year to the TRQ which was initially set at 3.1 million tons last January. This action will place additional pressure on already tight U.S. supplies. However, South African exporters have just visited Mexico in an effort to promote their corn sales. South Africa is a major exporter of white corn, which is preferred in Mexico. Mexican import demand for corn is expected to remain strong through the summer months, but will weaken with the onset of the local harvest in the fall.

Over 60 percent of the 1.2-million ton quota increase was allocated to the corn flour industry. This brings the total TRQ allocation for corn flour to 1.3 million tons. Historically, Mexico has imported corn primarily for feed use, preferring to use its domestically grown (white) corn for flour. The increase in the allocation for corn flour adds support to report of shortages in rural areas.

US Exports of Agricultural, Fish & Wood Products to All Countries

Calendar Years 1991 to 1996 and Year-to-Date Comparisons (\$1,000)

Product	Calendar Years					January-April		% Chg
	1991	1992	1993	1994	1995	1995	1996	
Bulk Agricultural Total	18,348,386	19,687,248	18,593,458	18,951,466	26,018,597	9,078,013	11,023,448	21.4%
Wheat	3,292,138	4,449,324	4,664,582	4,056,007	5,447,333	1,568,167	2,201,334	40.4%
Coarse Grains	5,722,597	5,736,599	5,000,598	4,731,925	8,152,928	2,312,851	3,495,057	51.1%
Rice	753,557	726,072	771,312	1,010,548	997,833	328,750	360,493	9.7%
Soybeans	3,956,443	4,380,402	4,598,746	4,330,427	5,400,038	2,094,315	2,606,493	24.5%
Cotton	2,491,999	2,010,338	1,540,678	2,676,263	3,713,889 *	1,907,555	1,574,312	-17.5%
Tobacco	1,427,631	1,650,559 *	1,306,067	1,302,745	1,399,863	590,614	533,302	-9.7%
Pulses	268,414	191,656	213,254	280,649	264,153	75,261	65,240	-13.3%
Peanuts	180,304	240,308	204,576	187,552	266,243	85,242	75,432	-11.5%
Other Bulk Commodities	255,304	301,989	293,645	375,352	376,318	115,258	111,785	-3.0%
Intermediate Agricultural Total	8,789,224	9,231,134	8,973,466	9,749,696	10,992,075 *	4,059,804	3,782,084	-6.8%
Wheat Flour	184,256	184,317	205,729	211,248	236,368	93,798	41,200	-56.1%
Soybean Meal	1,155,307	1,294,722	1,132,041	958,920	1,074,516	441,903	494,355	11.9%
Soybean Oil	222,126	376,202	363,897	525,077	694,080	426,145	111,991	-73.7%
Other Vegetable Oils	418,144	502,732	543,897	671,187	921,440 *	334,181	338,096	1.2%
Feeds & Fodders (excl. pet foods)	1,605,732	1,722,327	1,744,163	1,738,454	1,902,403 *	658,987	728,585	10.6%
Live Animals	686,563 *	607,891	518,927	587,352	519,242	141,415	142,264	0.6%
Hides & Skins	1,357,570	1,326,054	1,268,658	1,507,616	1,727,629	593,584	541,196	-8.8%
Animal Fats	426,824	515,214	501,702	598,546	788,703 *	264,863	228,258	-13.8%
Planting Seeds	671,655	675,011 *	619,359	648,614	666,360	277,903	310,311	11.7%
Sugars, Sweeteners & Bever. Bases	634,101	573,921	567,807	656,761	629,634	223,602	202,365	-9.5%
Other Intermediate Products	1,426,946	1,452,744	1,507,288	1,645,921	1,831,699 *	603,423	643,463	6.6%
Consumer-Oriented Agricultural Total	11,967,920	13,895,994	14,911,316	16,988,134	18,787,618 *	5,690,978	6,447,083	13.3%
Snack Foods (excluding nuts)	633,040	829,679	1,024,643	1,101,668 *	1,049,207	308,111	360,642	17.0%
Breakfast Cereals & Pancake Mix	216,802	219,762	252,993	291,979 *	275,239	86,116	105,119	22.1%
Red Meats, Chilled/Frozen	2,660,267	3,112,361	3,055,222	3,383,394	4,162,666 *	1,204,148	1,540,926	28.0%
Red Meats, Prepared/Preserved	165,101	181,562	220,038	253,621	283,988 *	75,308	111,099	47.5%
Poultry Meat	817,913	928,464	1,100,613	1,570,414	2,025,713 *	598,030	736,757	23.2%
Dairy Products	462,956	793,754	857,487 *	753,257	796,750	246,055	248,385	0.9%
Eggs & Products	143,367	139,234	139,438	164,653	170,719	47,810	63,273	32.3%
Fresh Fruit	1,561,053	1,683,344	1,707,147	1,953,767	1,972,864 *	558,329	590,327	5.7%
Fresh Vegetables	832,935	899,624	985,953	1,046,789	1,068,572 *	416,049	349,185	-16.1%
Processed Fruit & Vegetables	1,394,490	1,558,121	1,639,583	1,720,891	1,906,561 *	613,825	603,279	-1.7%
Fruit & Vegetable Juices	385,414	461,017	469,517	543,013	659,043 *	220,973	223,099	1.0%
Tree Nuts	867,704	928,531	998,246	1,106,416	1,169,129 *	320,639	362,007	12.9%
Wine and Beer	315,756	369,181	379,301	532,735	648,681 *	176,615	199,327	12.9%
Nursery Products & Cut Flowers	201,442	201,321	209,397 *	197,985	193,300	77,258	81,703	5.8%
Pet Foods, Dog/Cat	329,772	399,630	497,621	577,943	630,237 *	199,783	219,092	9.7%
Other Consumer-Oriented Products	979,907	1,190,410	1,374,116	1,789,607 *	1,774,949	541,928	652,865	20.5%
Wood Products Total	6,429,179	6,741,685	7,281,313 *	7,085,787	7,245,897	2,515,866	2,344,012	-6.8%
Logs	2,074,432	2,140,010	2,489,560 *	2,277,981	2,287,347	832,737	651,177	-21.8%
Lumber	2,203,353	2,322,491	2,449,643 *	2,428,150	2,411,741	850,695	792,770	-6.8%
Plywood & Panel Products	735,227	847,867	906,397	944,360	996,592 *	357,429	332,715	-6.9%
Other Wood Products	1,416,167	1,431,317	1,435,714	1,435,297	1,550,217 *	475,005	567,349	19.4%
Fish & Seafood Products Total (Edible)	3,035,383	3,353,935	2,959,086	3,002,265	3,138,220	970,279	889,583	-8.3%
Salmon, Whole/Eviscerated	436,975	681,663	583,060	518,413	545,283	35,422	32,926	-7.0%
Salmon, Canned	133,644	154,401	160,416	161,577	174,946 *	53,999	38,592	-28.5%
Crab & Crabmeat	431,411	448,050 *	417,660	349,136	209,070	128,328	85,023	-33.7%
Surimi (fish paste)	N/A	367,627 *	274,322	318,850	353,433	142,602	96,464	-32.4%
Roe & Urchin	389,031	421,396	415,319	408,963	505,873 *	215,140	225,200	4.7%
Other Edible Fish & Seafood Products	1,644,322 *	1,280,798	1,108,309	1,245,325	1,349,614	394,788	411,376	4.2%
Agricultural Product Total	39,105,530	42,814,376	42,478,240	45,689,296	55,798,290 *	18,828,795	21,252,615	12.9%
Agricultural, Fish & Wood Product Total	48,570,092	52,909,996	52,718,639	55,777,348	66,182,407 *	22,314,940	24,486,210	9.7%

Note: (*) Highest export level since at least 1970; N/A = not available; NA = not applicable.

U.S. Exports of Agricultural, Fish & Forest Products by Major Group

Monthly and Annual Performance Indicators

Export Values	April		October-April		Fiscal Year	
	1995	1996	FY '95	FY '96	1995	1996(f)
	-- \$Billion --	Chg	-- \$Billion --	Chg	--- \$Billion ---	
Grains and Feeds 1/	1.299	1.898	46%	9.823	12.928	32%
Wheat & Flour	0.373	0.531	42%	2.913	3.977	37%
Rice	0.083	0.095	14%	0.657	0.636	-3%
Coarse Grains 2/	0.519	0.904	74%	3.889	5.813	49%
Corn	0.474	0.843	78%	3.447	5.204	51%
Feeds & Fodders	0.215	0.240	12%	1.494	1.605	7%
Oilseeds and Products	0.851	0.701	-18%	6.291	6.539	4%
Soybeans	0.492	0.426	-13%	3.753	4.391	17%
Soybean Cakes & Meals	0.116	0.097	-17%	0.718	0.766	7%
Soybean Oil	0.072	0.019	-74%	0.646	0.217	-66%
Other Vegetable Oils	0.089	0.071	-20%	0.560	0.568	1%
Livestock Products	0.603	0.825	37%	4.419	4.909	11%
Beef, Pork & Variety Meats	0.316	0.495	56%	2.161	2.671	24%
Hides, Skins & Furs	0.136	0.162	19%	0.989	0.950	-4%
Poultry Products	0.184	0.200	9%	1.274	1.556	22%
Poultry Meat	0.158	0.169	7%	1.073	1.345	25%
Dairy Products	0.070	0.065	-7%	0.435	0.425	-2%
Unmanufactured Tobacco	0.165	0.112	-32%	0.954	0.967	1%
Cotton and Linters	0.443	0.234	-47%	2.662	2.546	-4%
Planting Seeds	0.038	0.052	39%	0.493	0.513	4%
Horticultural Products	0.704	0.795	13%	5.384	5.438	1%
Sugar & Tropical Products	0.153	0.183	20%	1.148	1.139	-1%
Forest Products 4/	0.667	0.576	-14%	4.326	4.066	-6%
Fish and Seafood Products 4/	0.191	0.216	13%	1.632	1.518	-7%
Total Agriculture	4.509	5.066	12%	32.883	36.960	12%
Total Ag., Fish & Forest	5.368	5.858	9%	38.841	42.543	10%

Export Volumes	---- MMT----		Chg	---- MMT----		Chg	---- MMT----	
	1995	1996		FY '95	FY '96		1995	1996
Grains and Feeds 1/	8.749	9.478	8%	68.184	69.607	2%	118.626	N/A
Wheat	2.320	2.457	6%	18.732	19.270	3%	32.094	32.0
Wheat Flour	0.137	0.048	-65%	0.722	0.265	-63%	1.184	0.5
Rice	0.297	0.295	-1%	2.426	1.820	-25%	3.767	3.0
Coarse Grains 2/	4.569	5.378	18%	36.717	39.041	6%	65.670	61.4
Corn	4.190	5.035	20%	32.578	35.104	8%	58.645	55.5
Feeds & Fodders	1.251	1.109	-11%	8.146	7.769	-5%	13.483	13.5
Oilseeds and Products	3.262	2.118	-35%	24.070	21.461	-11%	34.050	30.1
Soybeans	2.197	1.439	-34%	17.068	16.002	-6%	23.584	22.0
Soybean Cakes & Meals	0.680	0.414	-39%	4.062	3.366	-17%	6.094	4.9
Soybean Oil	0.107	0.034	-68%	0.975	0.363	-63%	1.216	0.7
Other Vegetable Oils	0.130	0.098	-25%	0.783	0.789	1%	1.281	N/A
Livestock Products 3/	0.274	0.355	29%	2.086	2.219	6%	3.703	N/A
Beef, Pork & Variety Meats	0.098	0.157	60%	0.681	0.842	24%	1.256	1.5
Poultry Products 3/	0.161	0.178	11%	1.109	1.369	23%	1.943	N/A
Poultry Meat	0.158	0.174	10%	1.083	1.341	24%	1.901	2.3
Dairy Products 3/	0.039	0.035	-9%	0.233	0.287	23%	0.440	N/A
Unmanufactured Tobacco	0.025	0.018	-29%	0.142	0.147	4%	0.197	N/A
Cotton & Linters	0.248	0.133	-47%	1.612	1.419	-12%	2.068	1.7
Planting Seeds	0.023	0.059	155%	0.294	0.414	41%	0.541	N/A
Horticultural Products 3/	0.571	0.606	6%	4.214	4.175	-1%	7.001	7.2
Sugar & Tropical Products 3/	0.106	0.103	-4%	0.620	0.646	4%	1.104	N/A
Total Agriculture 3/	13.459	13.083	-3%	102.566	101.744	-1%	169.674	160.4

Notes: 1/ Includes pulses, corn gluten feed and meal; 2/ includes corn, oats, barley, rye and sorghum; 3/ includes only those items measured in metric tons; 4/ items not included in agricultural product totals. N/A = not available.

FY 1996 forecasts (f) are based on USDA's "Outlook for Agricultural Exports," published May 30, 1996.

U.S. Agricultural Export Value by Region

Monthly and Annual Performance Indicators

	April			October-April			Fiscal Year		
	1995 -- \$Billion --	1996 -- \$Billion --	Chg	FY '95 -- \$Billion --	FY '96 -- \$Billion --	Chg	1995 -- \$Billion --	1996(f) -- \$Billion --	Chg
Western Europe	0.764	0.604	-21%	5.895	6.291	7%	8.606	9.4	9%
European Union 1/	0.733	0.582	-21%	5.671	6.067	7%	8.256	9.0	9%
Other Western Europe	0.031	0.022	-30%	0.224	0.224	-0%	0.350	0.4	14%
Central & Eastern Europe	0.021	0.034	65%	0.199	0.247	24%	0.283	0.3	6%
Former Soviet Union	0.100	0.106	6%	0.676	1.008	49%	1.158	1.6	38%
Russian Federation	0.079	0.095	20%	0.539	0.729	35%	0.911	1.3	43%
Asia	2.139	2.370	11%	14.122	16.223	15%	23.979	27.6	15%
Japan	0.882	1.130	28%	5.905	7.110	20%	10.447	12.0	15%
China	0.290	0.126	-56%	1.568	1.334	-15%	2.413	2.5	4%
Other East Asia	0.642	0.750	17%	4.383	4.912	12%	7.562	8.3	10%
Taiwan	0.193	0.244	27%	1.466	1.684	15%	2.552	2.8	10%
South Korea	0.324	0.355	9%	2.054	2.317	13%	3.576	4.0	12%
Hong Kong	0.125	0.152	21%	0.859	0.910	6%	1.425	1.5	5%
Other Asia	0.324	0.363	12%	2.266	2.867	27%	3.558	4.8	35%
Pakistan	0.030	0.000	-99%	0.316	0.291	-8%	0.389	0.4	3%
Philippines	0.066	0.077	18%	0.385	0.526	37%	0.675	0.9	33%
Middle East	0.145	0.240	66%	1.459	1.683	15%	2.404	2.7	12%
Israel	0.021	0.047	124%	0.253	0.378	49%	0.452	0.6	33%
Saudi Arabia	0.032	0.066	106%	0.295	0.396	34%	0.479	0.6	25%
Africa	0.224	0.201	-10%	1.745	1.841	5%	2.806	3.2	14%
North Africa	0.159	0.133	-16%	1.280	1.296	1%	1.972	2.3	17%
Egypt	0.104	0.115	10%	0.825	0.879	7%	1.294	1.4	8%
Algeria	0.043	0.005	-88%	0.290	0.200	-31%	0.440	0.4	-9%
Sub-Saharan Africa	0.065	0.068	4%	0.465	0.545	17%	0.833	1.0	20%
Latin America	0.577	0.871	51%	4.856	5.660	17%	8.101	8.9	10%
Mexico	0.234	0.499	113%	2.195	2.822	29%	3.700	4.4	19%
Other Latin America	0.343	0.372	9%	2.660	2.838	7%	4.401	4.5	2%
Brazil	0.033	0.035	6%	0.499	0.305	-39%	0.638	0.4	-37%
Venezuela	0.053	0.030	-42%	0.290	0.247	-15%	0.493	0.4	-19%
Canada	0.482	0.493	2%	3.374	3.341	-1%	5.830	5.9	1%
Oceania	0.030	0.051	68%	0.363	0.273	-25%	0.563	0.4	-29%
World Total	4.508	5.065	12%	32.875	36.954	12%	54.143	60.0	11%

Note: 1/ EU-15 includes the newest member states of Austria, Finland and Sweden.

FY 1996 forecasts (f) are based on USDA's "Outlook for U.S. Agricultural Exports," published May 30, 1996.

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